

Public Utility District No. 1 of Klickitat County  
**Board of Commissioners Meeting**  
Tuesday, May 10, 2016

**CALL TO ORDER:** President Ray Mosbrucker called the meeting to order at 2:00pm.

**PRESENT:** Commissioners Ray A. Mosbrucker-President, Randy L. Knowles-Vice President, and Dan G. Gunkel-Secretary.

**STAFF PRESENT:** Jim Smith-General Manager, Anita Thompson-Controller, Gwyn Miller-H.R. Manager, Mike DeMott-Interim Power Manager, Ron Ihrig-Chief Operating Officer, Cynthia Bruce- Accounts Payable/Accounting Clerk, and Luann Mata-Engineering Administrative Assistant.

**GUESTS:** None.

**PLEDGE:** The Pledge of Allegiance was recited by those present.

**MINUTES:** **MOTION** was made by Commissioner Dan Gunkel to approve the April 26, 2016 meeting minutes as presented. Motion carried.

**CLAIMS & PAYROLL:** Presented by Cynthia Bruce. Vouchers were audited and certified by the auditing officer as required by RCW.42.24.080, and all expense reimbursement claims presented were certified as required by RCW.42.24.090 and were recorded on a listing made available to the Board on May 10, 2016.

**MOTION** was made by Commissioner Dan Gunkel to approve the following as submitted:

- Accounts Payable Voucher numbers 106451 through 106569 in the total amount of \$287,194.77 and Wires, ACH and EFT numbers 8800478 through 8800482 in the total amount of \$82,899.47 for the period ending May 10, 2016; and
- Payroll Warrant numbers 43278 through 43279 and ACH Direct Deposit Payroll transactions 9915320 through 9915400 in the total amount of \$180,155.10 for the payroll periods ending May 1, 2016.
- Question on ACIEM invoice – this was consulting on the proposed carbon rules, both Washington State and Federally that may affect our HW Hill facility.

Motion carried.

**PUBLIC COMMENTS:** None.

**REPORTS:**

**COMMISSIONER DAN GUNKEL** - No report at this time.

**COMMISSIONER RANDY KNOWLES** had nothing to report. However, he wanted to encourage the board to reconsider their authorization to entertain a long term sales agreement. Commissioner Mosbrucker asked if there was any new or additional information he wanted to provide. Commissioner Knowles did not have any additional information to share. Commissioner Gunkel asked the General Manager if there was new information that was not available last meeting. Jim discussed the Memorandum of Understanding offered by the Port of Seattle to work together and other options that are being looked at and evaluated, but they are still “potential” options at this time. Discussion ensued. No action was taken.

**COMMISSIONER RAY MOSBRUCKER** reported that he attended the Bickleton Community meeting. There were 5-6 people in attendance. Two of the attendees were new to the area and they asked if rates could go down. Ron Ihrig reminded them that the Community made the decision to hold rates lower with pre-determined 3% rate increases for probably 5 years, rather a higher rate up front. Roosevelt community meeting went well, but only 2 people attended as most of the community council has dissolved. They stated they were really happy with water quality of the new well. The Roosevelt School is in the process of connecting to the system as well. The Ponderosa Park community meeting had 15-20 in attendance with very good interaction on future projects. Lena Mendiola with WPUA was in town for a building tour and she was evaluating options for the WPUA meeting on September 14<sup>th</sup>/15<sup>th</sup>.

**GENERAL MANAGER** – The complete report can be found at:

[http://www.klickitatpud.com/topicalMenu/commissioners/GM\\_Reports.aspx](http://www.klickitatpud.com/topicalMenu/commissioners/GM_Reports.aspx)

Jim Smith and Ron Schultz met with Pacific Corp May 4<sup>th</sup> and Pacific Corp stated that they are now interested in selling the 69 kV transmission line from Powerdale (in Hood River) to Condit. Legally we could own infrastructure in Oregon, but Jim has concerns with the liability of the old river crossing, as well as potential issues arising from having facilities in Oregon State. Pacific Corp said that they will not need the line from Condit for back up service purposes in 5-10 years. BPA is interested in the river crossing, but has said they do not have any funds budgeted at this time. So our plan is to move forward to purchase the portion of line in Klickitat County with the agreement that if BPA has not acquired the rest of the line from Pacific Corp by the time Pacific Corp desires to remove the line, they would offer the remainder of the line to us. In the mean time we would work with BPA to encourage them to purchase the remainder of the line as it would improve our power quality at BPA's Bald Mountain substation.

Citi Group financial hedging exposure has dropped below the \$2 million IDSA scaled limit and it is no longer an issue. The exposure will continue to drop as monthly swaps are closed. Given the current direction for longer term power sales, staff has determined we do not need the Board to consider any modifications to the scaled limit.

Glenwood Water / Waste Water community meeting is scheduled for Tuesday May 17<sup>th</sup>. Randy will attend as Ray is out of town.

**AGENDA ITEMS:**

- A. **BPA SLICE RATE PRODUCT DISCUSSION/DECISION** – Discussion with Board on the option of staying with the slice product or returning to load following rates. Staff will bring the required resolutions and documentation to return to load following next Board meeting for action.
  
- B. **OUTSTANDING LUD DISCUSSION** – **No Action** - Update only. Ron Ihrig presented overview of current LUD costs and outstanding assessments. Discussion followed and it was determined that we would continue our process as is, but review again next year.
  
- C. **WATER RFP UPDATE** – Several questions are being raised by potential bidders and we are responding via bid document process. One question was raised if we would consider changing the point of use rather than leasing water right. We do not want to do this as we are offering mitigation. We will open proposals June 9<sup>th</sup>. There will be an update in Operations report next meeting.
  
- D. **EXECUTIVE SESSION** – 3:12P.M. – 6:00 P.M. Personnel Contract. No action taken.

**ADJOURNMENT** – There being no further business, the meeting adjourned at 6:03pm.

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/s/  
Ray A. Mosbrucker, President

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/s/  
Randy L. Knowles, Vice President

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/s/  
Dan G. Gunkel, Secretary  
Date Approved: 5/24/2016

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/s/  
Luann Mata, Engineering Admin. Assistant